



ARTIFICIAL INTELLIGENCE AND DATA POLICY



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1. OBJECT

The Board of Directors of **CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.**, in the exercise of its non-delegable functions of defining the general strategies of the Company and its Group (hereinafter "**CAF**" or "**Group**") and taking into account the regulatory developments driven from the European Union and, in particular, Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 on Artificial Intelligence ("**RIA**"), as well as the recommendations, practices and standards established by the supervisory authorities and bodies of recognized prestige, has approved at its meeting of 26 February 2025, this Artificial Intelligence and Data Policy (the "**Policy**"), which is integrated into the Group's Corporate Governance System, setting out the general principles and commitments regarding Artificial Intelligence (hereinafter "**AI**") and Data in the CAF Group.

This Policy reflects CAF's commitment included in the Code of Conduct to develop and use AI and Data in a responsible, transparent, secure and reliable manner, aligning its practices with the applicable regulations in force, as well as with its corporate ethical values and the highest standards of security and privacy. In this regard, **CAF** is committed to the responsible development and use of AI and Data, so that their applications contribute to the creation of sustainable value, taking into account **CAF**'s activities and structure.

2. SCOPE

This Policy applies to all **CAF** entities and compliance with this Policy is the responsibility of all employees, managers and members of an administrative body of any Group entity, regardless of their position or geographical location. It shall also apply to any other persons or entities which, within the framework of a civil or commercial relationship, **CAF** authorizes to use, safeguard or access the corporate AI tools. All of the foregoing shall be considered AI users for the purposes of this Policy ("**Users**").

With respect to investee companies that do not belong to **CAF** because they do not have a sufficient shareholding to ensure control, their principles of action are encouraged to be consistent with the provisions of this Policy, at least insofar as they coincide with the General Principles of the CAF Group's Code of Conduct.

Similarly, in application of the due diligence criteria, these principles can be extended to third parties in the value chain ("**Business Partners**"), in particular project partners, agents, suppliers and, where appropriate, their customers, depending on the type of business relationship, in a reasonable manner and proportionate to the risk. In defining the specific requirements for the different types of Business Partners, objective factors such as whether **CAF** has operational control or decisive influence over the third party, or similar criteria recognized in leading international best practice guidelines, shall be taken into account.

3. PRINCIPLES ON ARTIFICIAL INTELLIGENCE AND DATA

RIA defines an 'AI system' as a machine-based system that is designed to operate with varying levels of autonomy and that can exhibit adaptive capabilities after deployment, and that, for explicit or implicit goals, infers from the

input information it receives how to generate output results, such as predictions, content, recommendations or decisions, which can influence physical or virtual environments.

According to this definition, AI is the discipline that relies on the use and management of data to develop systems capable of performing intelligent tasks. Each stage of the data lifecycle is crucial to the development and operation of these systems, ensuring their ability to adapt and generate accurate and useful results.

CAF encourages compliance with, promotion and implementation of a set of principles in all its interactions with AI, in accordance with CAF's Code of Conduct, which constitute the basis of this Policy, as set out below:

1. **Responsibility and Compliance with Laws and Regulations and CAF's Internal Rules:** All uses of AI and Data must be in compliance with all applicable laws and regulations and CAF's internal rules and regulations. This includes, in particular, regulations relating to the proper use of information systems and personal data protection regulations.

The AI systems developed or implemented by CAF shall be previously analyzed and validated in accordance with appropriate procedures to allow their professional use by Users.

CAF will promote a self-responsibility approach with risk-based regulation and an AI governance model that is developed through processes and tools that allow the entire lifecycle of AI initiatives to be mapped out and clearly identify the responsibility of its participants, thus ensuring accountability for its results.

2. **Ethics and Responsibility:** The development and use of AI and Data must be carried out avoiding any form of discrimination or bias and the infringement of third-party rights.

In this regard, the AI strategy should promote sustainable development by ensuring that both the data, content and information fed into an AI system for training and processing, and the results and information generated after processing, respect the intellectual property, confidential business information or trade secrets of third parties.

In addition, algorithms should be designed and trained on diverse and representative data to reduce bias and ensure fair and equitable results.

3. **Transparency and explainability:** Any AI must be transparent and its decisions must be explainable in accordance with the standards allowed by the technology at the time. Users should be able to understand how and why automated decisions are made. In particular, Users will be informed when they are communicating with, or interacting with, AI-powered systems.

This shall also apply where third-party technology is used.

4. **Principle of Data Quality, Integrity and Availability:** Data integrity, quality, accuracy and veracity must be ensured as an essential foundation for enabling the application of AI and other Data exploitation tools. Accuracy, completeness and timeliness of data must be ensured by assigning appropriate data controllers.

5. **Promote a culture of Data and AI use:** Users should be adequately trained in the use and development of AI and Data Applications and other data exploitation tools, as well as on the associated ethical and legal principles.

In this sense, **CAF** will promote a culture of use of AI and Data among its Users, to the extent that they promote the achievement of strategic objectives.

4. METRICS AND OBJECTIVES

To ensure compliance with the principles and commitments established in the IA and Data Policy, **CAF** has defined a robust monitoring and control system based on performance indicators and clearly defined short, medium and long-term objectives.

Periodic monitoring of performance indicators allows for the evaluation of progress towards the achievement of previously defined short, medium and long-term objectives. This practice facilitates the identification of areas requiring attention and improvement, making it possible to make the right decisions and implement appropriate corrective measures. In this way, a continuous cycle of continuous improvement is ensured, and performance and efficiency is optimized at all levels of the organization.

To ensure their effectiveness, performance indicators should meet the following criteria:

- Relevance: Indicators should accurately and meaningfully measure and reflect progress towards the achievement of a specific objective, providing information that can be used for decision-making and action.
- True representation: Data sources should be reliable, and measurement methods should be standardized. Information presented through the indicators should be complete, neutral and accurate.
- Timeliness: The frequency of measurement of indicators should be adequate for timely decision-making.
- User-friendliness: They should be easily understandable and interpretable for both collectors and analysts.
- Effective communication: The results of the indicators should be communicated clearly and concisely to all levels of the organization.

The most relevant indicators will form part of the non-financial information report in accordance with the Group's sustainability best practices.

The purpose of this approach is to make IA and Data principles and commitments a transversal axis in decision making at all levels of **CAF** and especially in risk management, so that its activities generate value for both its shareholders and stakeholders.

5. GOVERNANCE AND OVERSIGHT

CAF's governance of AI and Data is structured through the following levels:

a) Board of Directors

The Board of Directors lays the foundations for the Group's internal governance of IA and Data by defining the strategic objectives in this area, and in particular through the following competencies:

- Approve this corporate Policy.
- Conduct regular monitoring of IA and Data activities in the organization.
- Promote, together with management, a culture of AI and Data use throughout the organization, with the aim of harnessing its full potential in line with business strategy and in a responsible manner.
- Attribute to the Audit Committee the oversight of the implementation of the IA and Data strategic objectives.
- Ensure the availability of the material and human resources and capabilities necessary to achieve the objectives of the IA and Data Function.
- Update, at the request of the Audit Committee, this Policy, in accordance with the provisions of section 7 of this Policy.

b) Audit Committee

The Audit Committee is responsible for supervising and evaluating the Group's financial and non-financial risk management and control systems, including technological risks.

The Audit Committee shall also have the following powers.

- Oversee the implementation of this Policy, as well as the IA and Data Function.
- Periodically collect management information on these areas from the Corporate Head of AI and Data Function, including, as a minimum, the progress of AI and Data initiatives and the status of CAF's AI and Data Products and Applications.
- Propose to the Board the updating of this Policy, in accordance with the provisions of section 7 of this Policy.

c) Corporate Technology Director

The Corporate Technology Director will:

- Set the Group's Technology guidelines and, in particular, for the management of the AI and Data Function, coordinating this function with the other technological areas of the Group.
- Recibe the direct report of the Corporate Head of AI and Data Function on the achievement of strategic objectives and KPIs defined at corporate level.
- Facilitate the involvement of senior management in AI and Data in those high-level fora where the Corporate Head of AI and Data Function is not directly involved.
- Establish the CAF areas to be represented in the Corporate AI and Data Committee.

d) AI and Data Function and Corporate Head of AI and Data Function

The AI and Data Function is the internal body responsible for the development, implementation and delivery of the strategic objectives set by the Board of Directors on AI and Data, under the direction of the Corporate Technology Director, and independently of those responsible for information and communication technologies.

Its head (the "**Corporate Head of AI and Data Function**") shall be a person with the appropriate knowledge, experience and competences to perform the function and shall have sufficient decision-making, designation and influence in the organization.

Among its core competencies, the AI and Data Function:

- It will ensure the promotion of the use of AI and Data in accordance with **CAF's** AI and Data principles, governing the catalogue of use cases and all data required for their development, evolution and maintenance.
- It will ensure the development, continuous improvement and maintenance of AI and Data Products and Applications.
- It will define and monitor performance indicators associated with AI and Data in the areas of cost, sustainability, usability and cybersecurity.
- Ensure proper reporting to the appropriate fora.
- It will define AI and Data literacy and awareness initiatives in CAF.
- It will coordinate with the different corporate stakeholders to ensure the integration of AI and Data and, in particular, with the following departments and functions: IT, Cybersecurity, Compliance, Sustainability, Legal, Data Protection and Risk. The latter take on the new challenges arising from AI and Data with the support of Artificial Intelligence and Data Function.

The Corporate Head of AI and Data Function shall report to the Technology Directorate and, in any case, shall report periodically to the Audit Committee on the performance of the duties, in line with the best practices in this area.

Risks related to IA and Data will be regularly assessed as part of the risk management and control system.

e) Corporate AI and Data Committee

The Group shall have a Corporate IA and Data Committee to adopt resolutions of relevance in IA and Data matters that may materially affect the Group's business.

The Corporate AI and Data Committee will have an appropriate number of areas of the organization represented, in addition to the Chief Technology Officer and the Corporate Head of AI and Data Function.

There may be other collegial structures for the development of the competences of the Corporate Head of IA and Data Function, acting under the coordination of the Corporate Head of IA and Data Function.

f) Business Management

Business Management is defined as the highest body responsible for a specific business activity division within CAF.

The key responsibility of the Business Management for AI and Data will be the implementation of this Policy, ensuring the definition of deployment plans for the development, supervision and control within the Business itself, for which the Business AI and Data Head will be appointed.

g) Business AI and Data Head

The Business AI and Data Head will coordinate all Business level efforts related to AI and Data, such as the deployment of corporate AI and Data guidelines in the Business, driving and collecting AI and Data use cases and the establishment of AI and Data competencies, enabling corporate training and awareness plans, and identifying any specific needs the Business may have.

6. INTERNAL INFORMATION SYSTEM (WHISTLEBLOWING CHANNELS)

All members of the Group have an obligation to report behavior or conduct identified in the work or professional context that may contravene the principles and parameters set out in this Policy, including any known actions or conduct that may be an indication of risk.

For such purpose, they must use the Group's Internal Reporting System, in accordance with the provisions of the Group's Internal Reporting System Policy, by accessing it through the corporate website. This mechanism is also accessible to any third party outside the Group for the purpose of reporting breaches of this Policy.

The Group's Internal Reporting System provides the safeguards of trust, confidentiality (including protection of the identity of the informant) and prohibition of retaliation reflected in the Internal Reporting System Policy and should be employed in good faith, based on a reasonable belief of the existence of a breach or a risk of a breach occurring.

7. REVIEW AND UPDATE

CAF's Board of Directors, at the request of the Audit Committee, shall update the Policy within the framework of the commitment to continuous improvement, and especially when relevant regulatory changes affecting the content of the Policy are approved.

8. APPROVAL AND DISSEMINATION

This Policy is approved by the Board of Directors on 26 February 2025, from which date it comes into force.

In order to facilitate its content for interested parties and recipients, this Policy will be published on CAF's website, as well as on the Group's internal channels.